

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION**

BLACKBOARD INSURANCE
COMPANY,

Plaintiff,

v.

WHOLESALE DISCOUNT, LLC a/k/a
WHOLESALE DISCOUNTS OF
GEORGETOWN, LLC; COVENANT
MISSIONARY BAPTIST CHURCH,
INC. a/k/a COVENANT MISSIONARY
BAPTIST CHURCH, A South Carolina
Non-Profit Corporation; DIANNE
BENTON FLOYD a/k/a DIANE
BENTON FLOYD a/k/a DIANNE B.
FLOYD; BETTY BLAKELY BENTON;
JAMES EDWIN BENTON; and
RONALD O. THOMPSON, SR. a/k/a
RONALD THOMPSON a/k/a REV.
RONALD O. THOMPSON, SR.,

Defendants.

Case No.: 2:21-cv-1053-RMG

COMPLAINT

**(Interpleader)
(Non-Jury Trial)**

TO: THE DEFENDANTS, WHOLESALE DISCOUNT, LLC a/k/a WHOLESALE DISCOUNTS OF GEORGETOWN, LLC; COVENANT MISSIONARY BAPTIST CHURCH, INC. a/k/a COVENANT MISSIONARY BAPTIST CHURCH, A South Carolina Non-Profit Corporation; DIANNE BENTON FLOYD a/k/a DIANE BENTON FLOYD a/k/a DIANNE B. FLOYD; BETTY BLAKELY BENTON; JAMES EDWIN BENTON; and RONALD O. THOMPSON, SR. a/k/a RONALD THOMPSON a/k/a REV. RONALD O. THOMPSON, SR., NAMED ABOVE:

The Plaintiff, Blackboard Insurance Company, complaining of the Defendants, Wholesale Discount, LLC a/k/a Wholesale Discounts of Georgetown, LLC; Covenant Missionary Baptist Church, Inc. a/k/a Covenant Missionary Baptist Church, a South Carolina Non-Profit Corporation; Dianne Benton Floyd a/k/a Diane Benton Floyd a/k/a

Dianne B. Floyd; Betty Blakely Benton; James Edwin Benton; and Ronald O. Thompson, Sr., a/k/a Ronald Thompson a/k/a Rev. Ronald O. Thompson, Sr., alleges and says in the following particulars:

**PARTIES, JURISDICTIONAL,
AND VENUE ALLEGATIONS**

1. The Plaintiff, Blackboard Insurance Company (“Blackboard”), a member of the American International Group, is a corporation organized and existing under the laws of a state other than the State of South Carolina, namely the State of Delaware with its principal place of business located in New York, New York; however, conducts the business of selling and providing various commercial property and casualty insurance coverages to insureds in the State of South Carolina and in, among other locations, Georgetown County under the auspices of, through the authority granted by, and with the permission of the South Carolina Department of Insurance.

2. The Defendant, Wholesale Discount, LLC a/k/a Wholesale Discounts of Georgetown, LLC (“Wholesale Discount”), is upon information and belief, a corporation organized and existing under the laws of the State of South Carolina with its principal place of business located in the Town of Georgetown, Georgetown County, South Carolina.

3. The Defendant, Covenant Missionary Baptist Church, Inc. a/k/a Covenant Missionary Baptist Church, a South Carolina Non-Profit Corporation (“Covenant Missionary”), is upon information and belief, a non-profit corporation organized and existing under the laws of the State of South Carolina with its principal place of business located in the Town of Georgetown, Georgetown County, South Carolina.

4. The Defendant, Dianne Benton Floyd a/k/a Diane Benton Floyd a/k/a Dianne B. Floyd ("Ms. Floyd"), is upon information and belief, a resident and citizen of the County of Georgetown, State of South Carolina.

5. The Defendant, Betty Blakely Benton ("Ms. Benton"), is upon information and belief, a resident and citizen of the County of Georgetown, State of South Carolina.

6. The Defendant, James Edwin Benton ("Mr. Benton"), is upon information and belief, a resident and citizen of the County of Georgetown, State of South Carolina.

7. The Defendant, Ronald O. Thompson, Sr., a/k/a Ronald Thompson a/k/a Rev. Ronald O. Thompson, Sr. ("Mr. Thompson"), is upon information and belief, a resident and citizen of the County of Georgetown, State of South Carolina.

8. This is both a federal statutory and civil rule interpleader action brought pursuant to Rule 22 of the Federal Rules of Civil Procedure, and 28 U.S.C. § 1335 (West Group 1993 and Thomson Reuters West 2021).

9. The jurisdiction of this District Court is based upon the diversity of the parties pursuant to 28 U.S.C. § 1332(a) (Thomson/Reuters/West 2016), as well as this District Court's original jurisdiction pursuant to 28 U.S.C. § 1335(a) (West Group 1993 and Thomson Reuters West 2021) and the amount in controversy in this matter exceeds the sum of \$75,000.00 exclusive of interest and costs.

10. All matters and allegations herein contained are within the subject matter and personal jurisdiction of this District Court and venue is proper in this District Court and in the particular Division selected in that this insurance coverage declaratory judgment action arises out of certain transactions which occurred in the Town of Georgetown, Georgetown County, South Carolina.

FACTUAL ALLEGATIONS

(The Blackboard Business Owners Insurance Policy)

11. Blackboard repeats and realleges each and every allegation heretofore contained in this interpleader Complaint as if fully set forth herein verbatim.

12. On or about 13 February 2020, Blackboard issued a commercial Business Owners Policy of insurance (the “Blackboard Policy”), bearing Policy No. WWF00001HIBP-38573-01, to Wholesale Discount for its operations located at 69 Jessamine Street, Georgetown, South Carolina. (A copy of the Blackboard Businessowners Policy Declarations is attached hereto as **Exhibit “A”** and incorporated herein by reference).¹

13. Upon information and belief, Wholesale Discount purchased the Blackboard Policy for the purpose of providing, among other things, property damage and liability coverage to Wholesale Discount’s commercial building and commercial contents located at 69 Jessamine Street, Georgetown, Georgetown County, South Carolina, which commercial building was occupied by Wholesale Discount.

14. The Blackboard Policy provided various insurance coverages to Wholesale Discount at its above-referenced business location in Georgetown, South Carolina, including, but not limited to, commercial property damage coverage, business income coverage, and general liability insurance coverage and, in turn, excluded certain risks pursuant to, by, and through various policy exclusions. All of the terms, conditions, obligations, and duties under and pursuant to the Blackboard Policy are incorporated herein by reference.

¹ The full version of the Blackboard Policy is 113 pages and is available on request.

15. The Blackboard Policy provided an agreed value of the building property damage coverage of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) for a total loss of the Wholesale Discount's commercial structure.

16. The Blackboard Policy also specifically contained business personal property insurance coverage of Three Hundred Thousand and No/100 Dollars (\$300,000.00).

FACTUAL ALLEGATIONS ***(The Fire Loss)***

17. Blackboard repeats and realleges each and every allegation heretofore contained in this interpleader Complaint as if fully set forth herein verbatim.

18. On or about 17 September 2020, a fire broke out at the Wholesale Discount commercial facility, a fire which totally destroyed the entire commercial building and most, if not all, of the contents contained therein (the "17 September Fire").

19. The Blackboard Policy provided that Blackboard and Wholesale Discount agreed that the full value of the commercial building housing Wholesale Discount was One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) should there be a total loss of the structure.

20. Upon information and belief, as a result of the 17 September Fire, Wholesale Discount, by and through Pastor Thompson, made a property damage insurance coverage claim to Blackboard for insurance proceeds under the Blackboard Policy for both building property damage and contents damage.

21. Upon information and belief, as a result of the 17 September Fire, Covenant Missionary has made a property damage insurance coverage claim to Blackboard for insurance proceeds under the Blackboard Policy for, upon information and belief, both building property damage and contents damage.

22. Upon information and belief, on or about 11 January 2019, Ms. Floyd, and Ms. Benton entered into a *Lease Agreement and Option to Purchase* with Covenant Missionary as represented by Pastor Thompson, which *Lease Agreement and Option to Purchase* provided Covenant Missionary with a 14-month lease together with an option to purchase the real property and improvement (the “Covenant Missionary Church Property”) on or before 30 April 2020.

23. Upon information and belief, Pastor Thompson, together with Terra Thompson, owned and operated Wholesale Discount from a location immediately adjacent to the rear of Covenant Missionary and the Covenant Missionary Church Property.

INTERPLEADER ALLEGATIONS ***(The Competing Claims)***

24. Blackboard repeats and realleges each and every allegation heretofore contained in this interpleader Complaint as if fully set forth herein verbatim.

25. Wholesale Discount has made a property damage claim to Blackboard for the full available property damage valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) provided by Blackboard to Wholesale Discount through the Blackboard Policy.

26. Upon information and belief, Covenant Missionary has made a claim for damages which may implicate part or the full available property damage valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) provided by Blackboard to Wholesale Discount through the Blackboard Policy.

27. Upon information and belief, Pastor Thompson has made a claim for damages which may implicate part or the full available property damage valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) provided by Blackboard to Wholesale Discount through the Blackboard Policy.

28. Upon information and belief, Ms. Floyd, Ms. Benton, and Mr. Benton, arising out of the *Lease Agreement and Option to Purchase*, and have separately and collectively made damage claims against Pastor Thompson, Wholesale Discount, and (by implication) the Blackboard Policy.

29. The collective claims of Wholesale Discount, Pastor Thompson, Covenant Missionary, Ms. Floyd, Ms. Benton, and Mr. Benton, notwithstanding any other possible claims that may asserted by unknown parties, exceeds the available property damage valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) provided by Blackboard, which would apply to the 17 September Fire.

30. Blackboard is unable to determine how to apportion the property damage valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) and/or other damage claims between the competing claims asserted by Wholesale Discount, Pastor Thompson, Covenant Missionary, Ms. Floyd, Ms. Benton, and Mr. Benton.

31. Blackboard cannot safely settle any of the competing claims being made by Wholesale Discount, Pastor Thompson, Covenant Missionary, Ms. Floyd, Ms. Benton, and Mr. Benton until it is determined to whom and what amounts must be paid.

32. Blackboard recognizes and acknowledges that Blackboard is obligated to pay its valued policy coverage limits of limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) to resolve any and all claims against Wholesale Discount, its covered insured under the Blackboard Policy.

33. The current competing claims of Wholesale Discount, Pastor Thompson, Covenant Missionary, Ms. Floyd, Ms. Benton, and Mr. Benton, as well as any potential claims of all other unknown potential defendants, are such that Blackboard will likely be exposed to the risk of multiple liability.

34. Blackboard is in great doubt as to whether Wholesale Discount, Pastor Thompson, Covenant Missionary, Ms. Floyd, Ms. Benton, and/or Mr. Benton are entitled to be paid in the first instance from the available valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00).

35. Blackboard is in great doubt as to how to allocate funds in a fair and just manner between Wholesale Discount, Pastor Thompson, Covenant Missionary, Ms. Floyd, Ms. Benton, and/or Mr. Benton on the assumption that one or all of those defendants are entitled to be paid in the first instance from the available valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00).

36. Pursuant to Rule 22 of the Federal Rules of Civil Procedure, and 28 U.S.C. § 1335, and upon Order of this District Court, Blackboard will deposit the entire One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) representing all

of the of the available proceeds for the valued policy coverage with the Clerk of Court for this District Court to be retained by the Clerk in an interest bearing account for the benefit of the proper and lawful beneficiaries of such policy proceeds.

37. As Blackboard is not contesting the issue of its liability for payment of the One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) representing the valued policy property damage proceeds arising from the 17 September Fire for purposes of this Interpleader action, Blackboard requests this District Court's judicial determination of the claims.

38. As Blackboard is not contesting the issue of its liability for payment of the One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) representing the valued policy property damage proceeds arising from the 17 September Fire for purposes of this Interpleader action, Blackboard requests this District Court' to enter an Order discharging Blackboard from liability upon deposit of the applicable valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) with this District Court.

WHEREFORE, the Plaintiff, Blackboard Insurance Company, complaining of the Defendants, Wholesale Discount, LLC a/k/a Wholesale Discounts of Georgetown, LLC; Covenant Missionary Baptist Church, Inc. a/k/a Covenant Missionary Baptist Church, a South Carolina Non-Profit Corporation; Dianne Benton Floyd a/k/a Diane Benton Floyd a/k/a Dianne B. Floyd; Betty Blakely Benton; James Edwin Benton; and Ronald O. Thompson, Sr., a/k/a Ronald Thompson a/k/a Rev. Ronald O. Thompson, Sr., respectfully requests this District Court to:

- a. Permit Blackboard to deposit with the Clerk of Court for this District Court the sum of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) representing the valued policy property damage proceeds arising from the 17 September Fire;
- b. Enter an Order discharging Blackboard from liability upon deposit of the applicable valued policy limits of One Million Forty-Eight Thousand and No/100 Dollars (\$1,048,000.00) with this District Court;
- c. For the costs and disbursements of this action; and
- d. For such other relief as this District Court deems just and proper under the circumstances.

Respectfully submitted:

BUTLER SNOW LLP

By: **/s/Bradish J. Waring**

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Charleston, South Carolina
9 March 2021